



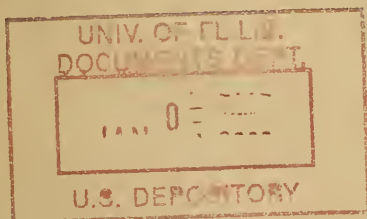
NATIONAL RECOVERY ADMINISTRATION

CODE OF FAIR COMPETITION

FOR THE

LEATHER CLOTH AND LACQUERED
FABRICS, WINDOW SHADE CLOTH
AND ROLLER, AND BOOK CLOTH
AND IMPREGNATED FABRICS
INDUSTRIES

AS APPROVED ON MAY 3, 1934



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Approved Code No. 416

CODE OF FAIR COMPETITION

FOR THE

**LEATHER CLOTH AND LACQUERED FABRICS,
WINDOW SHADE CLOTH AND ROLLER, AND
BOOK CLOTH AND IMPREGNATED FABRICS
INDUSTRIES**

As Approved on May 3, 1934

ORDER

CODE OF FAIR COMPETITION FOR THE LEATHER CLOTH AND LACQUERED
FABRICS, WINDOW SHADE CLOTH AND ROLLER, AND BOOK CLOTH
AND IMPREGNATED FABRICS INDUSTRIES

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for approval of a Code of Fair Competition for the Leather Cloth and Lacquered Fabrics, Window Shade Cloth and Roller, and Book Cloth and Impregnated Fabrics Industries, and hearings having been duly held thereon and the annexed report on said Code, containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to authority vested in me by Executive Orders of the President, including Executive Order No. 6543-A, dated December 30, 1933, and otherwise; do hereby incorporate by reference said annexed report and do find that said Code complies in all respects with the pertinent provisions and will promote the policy and purposes of said Title of said Act; and do hereby order that said Code of Fair Competition be and it is hereby approved; provided, however, that the provisions of Article VIII, Section 2, Sub-Section (b), insofar as they prescribe a waiting period between the filing with the Code Authority (i.e. actual receipt by the Code Authority) and the effective date of revised price lists or revised terms and conditions of sale be and they are hereby stayed pending my further order; and provided further that the provisions of Article VIII, Section 2, Sub-section (f) and Article IX, Section 16 be and they

are hereby stayed pending further hearing and determination of the issues involved; and provided further that Article XIV, Sections 2, 3 and 4 are deleted.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

H. O. KING,
Division Administrator.

WASHINGTON, D.C.,
May 3, 1934.

REPORT TO THE PRESIDENT

The PRESIDENT,
The White House.

SIR: This is a report on the Code of Fair Competition for the Leather Cloth and Lacquered Fabrics, Window Shade Cloth and Roller, and Book Cloth and Impregnated Fabrics Industries, as proposed by the Institute of Leather Cloth and Lacquered Fabric Manufacturers, the Window Shade Institute and the Institute of Book Cloth and Impregnated Fabrics Manufacturers. These institutes claim to represent 90%, 95%, and 85% of the respective industries.

The hearing was conducted in Washington, D.C. on November 22nd, 1933. Every person who requested an appearance was freely heard in accordance with statutory and regulatory requirements. The Code was presented by duly qualified and authorized representatives of the Industries.

DESCRIPTION OF INDUSTRIES

This code covers three distinct industries, and originally each group submitted a code of its own. It was found that many manufacturers were engaged in more than one industry, and for that reason, the three were combined into one code for purposes of simplification. In order to give a more clear description, this report will treat each industry separately.

LEATHER CLOTH AND LACQUERED FABRICS INDUSTRY

This group is composed of 20 concerns employing approximately 2,000 persons in the first half of 1933. In August of that year the industry voluntarily adopted the wage and hour provisions of the present code and employment was increased to 2,400 employees.

The original code included a limitation on the hours of operation of machinery and a provision which would have required a license from the Administrator in order to install additional productive machinery. At the time of the hearing, these two clauses were objected to by four firms representing 20% of the industry by number and approximately 40% in volume of production. Following this, other firms who had previously favored these two clauses changed their position until the objectors amounted to approximately 50% of the volume of business. Because of this, both of these provisions have been deleted because of lack of sufficient support by the industry, even though there had been a showing that the productive capacity of the industry was considerably in excess of the actual sales.

It was never determined whether or not this leeway in potential production is not necessary for this particular industry. The demand for leather cloth fluctuates considerably and orders for immediate shipment will pile in rapidly for a brief period and then drop just as suddenly to a very low basis. A condition of this kind requires excess machinery, which may be idle a good part of the time, in order to meet the production needs at peaks of business.

WINDOW SHADE CLOTH AND ROLLER INDUSTRY

This industry is composed of 29 concerns which before voluntarily agreeing on the wage and hour provisions of the present code employed 2050 persons. This increased 20% to 2469 employees after the voluntary action of the industry.

This group finishes cotton cloth in such a manner as to produce window shade cloth and they also make window shade rollers. Only these operations are covered by this code.

BOOK CLOTH AND IMPREGNATED FABRICS

This is the smallest of the three industries and is composed of eight concerns employing 392 persons. This figure was increased approximately 20% after the voluntary adoption last August of the present hour provisions of the code.

LABOR PROVISIONS

All three industries have the same hours of labor. With certain exceptions, hours are limited to forty per week without any limitation on the number of hours per day an employee may work. The industry is wholly in accord with the principal of an eight hour day, but because they are to a considerable extent continuous process industries involving the use and application of chemicals and chemical compounds, it is impractical to limit the daily hours of employees. It is provided that all hours in excess of eight per day shall be reported monthly to the Code Authority. Employees engaged in the operation of machines when used as a part of a continuous process, the interruption of which would jeopardize or spoil goods, may work up to forty-four hours per week.

Wages vary in the different industries. In the Leather Cloth Industry, the minimum is 40¢ per hour, except for office employees where the rate is \$14.00 per week.

In the Window Shades Industry the wages are as follows:

	Male	Female
	<i>Cents</i>	<i>Cents</i>
Northern Section.....	35	32½
Southern Section.....	32½	30

The Bookcloth Industry has a minimum wage of 35¢ an hour in the North and 32½¢ an hour in the South. All three industries provide a minimum wage for office boys and girls of \$11.20 and

the usual provisions regarding the employment of aged and infirm employees.

FINDINGS

The Deputy Administrator in his final report to me on said Code having found as herein set forth and on the basis of all the proceedings in this matter;

I find that:

(a) Said Code is well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act, including removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among the trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanctions and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) Said Industries normally employ not more than 50,000 employees; and are not classified by me as major industries.

(c) The Code as approved complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof; and that the applicant associations are industrial associations truly representative of the aforesaid Industries; and that said associations impose no inequitable restrictions on admission to membership therein.

(d) The Code is not designed to and will not permit monopolies or monopolistic practices.

(e) The Code is not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(f) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to approval of said Code.

For these reasons, the Code has been approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

MAY 3, 1934.

CODE OF FAIR COMPETITION FOR THE LEATHER CLOTH AND LACQUERED FABRICS; WINDOW SHADE CLOTH AND ROLLER; AND BOOK CLOTH AND IMPREGNATED FABRICS INDUSTRIES

ARTICLE I—PURPOSES

1. To effectuate the policies of Title I of the National Industrial Recovery Act, the following provisions are established as a Code of Fair Competition for the Leather* Cloth and Lacquered Fabrics; Window Shade Cloth and Roller; and Book Cloth and Impregnated Fabrics Industries, and shall be the standards of fair competition for these Industries, and shall be binding upon every member thereof.

ARTICLE II—DEFINITIONS

1. "Leather Cloth Industry" means and includes the manufacture or manufacture and sale of all pyroxylin coated leather cloth and lacquered fabrics, including like pyroxylin coated paper base products, by any corporation, its subsidiary and/or affiliate, firm or individual.

2. "Window Shade Cloth and Roller Industry" means and includes the manufacture and sale of window shade cloth and/or window shade rollers, and window shades when manufactured and sold at wholesale only by those who also manufacture and sell window shade cloth and/or window shade rollers, whether by a corporation, its subsidiary and/or affiliate, firm or individual.

3. "Book Cloth Industry" means and includes the manufacture or manufacture and sale of book cloths and/or impregnated fabrics for bookbinding purposes, by any corporation, its subsidiary and/or affiliate, firm or individual.

4. "Industries" means and includes the industries defined in sections 1, 2 and 3 hereof.

5. "Institute" as applied to said respective Industries, means:

(a) Institute of Leather Cloth and Lacquered Fabrics Manufacturers;

(b) Window Shade Institute;

(c) Institute of Book Cloth and Impregnated Fabrics Manufacturers;

6. "Secretary" means the Secretary or active manager of the Institute.

7. "President", "Act", and "Administrator" as used herein mean respectively the President of the United States, Title I of the National Industrial Recovery Act, and the Administrator for Industrial Recovery.

8. "Member of the Industry" includes, but without limitation, any individual, partnership, association, corporation or other form

of enterprise engaged in the Industries either as an employer or on his or its own behalf.

9. "Employee" as used herein includes any person engaged in the Industries, however compensated, except a member of the Industry.

10. "Subscriber to the Code" means any member of the Industries who shall expressly, in writing or otherwise, assent to this Code.

11. "Southern Section" as mentioned in Article IV includes the following States: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia.

ARTICLE III—HOURS OF LABOR

1. No employee shall be permitted to work more than forty (40) hours per week with the following exceptions:

(a) Employees engaged in the operation of machines when used as part of a continuous process, the interruption of which would jeopardize or spoil goods, shall be permitted to work not more than forty-four (44) hours in any one week.

(b) To meet periods of unusual demand a tolerance of ninety-six (96) hours per year in excess of the maximum hours specified herein may be allowed, provided that no employee shall be permitted to work in excess of forty-eight (48) hours in any one week. All hours worked in excess of eight (8) hours per day or in excess of forty (40) hours per week shall be reported monthly to the Code Authority.

2. The foregoing limitations shall not apply to the following employees.

(a) Persons occupying executive and administrative positions, and their personal secretaries, supervisors and chemists receiving thirty-five dollars (\$35.00) per week or more; laboratory assistants receiving twenty-five dollars (\$25.00) per week or more; and outside salesmen.

(b) Repairmen, firemen, engineers, electricians and shipping crews shall not be permitted to work in excess of forty (40) hours per week with a tolerance of ten (10) per cent, except when engaged in emergency maintenance and/or emergency repair work; provided that time and one-third ($\frac{1}{3}$) shall be paid for hours worked by such employees in excess of forty-four (44) hours per week.

(c) Watchmen shall not be employed in excess of fifty-six (56) hours in any one week, and not more than six (6) days in any seven (7) day period.

(d) Truckmen shall not be employed in excess of one hundred and ninety-two (192) hours in any consecutive four (4) weeks' period, nor in excess of one hundred and eight (108) hours in any two week period, nor more than twelve (12) days in any fourteen (14) day period.

ARTICLE IV—MINIMUM WAGES

1. *Leather Cloth Industry.*—(a) Except as hereinafter provided in subsection (b) of this section, and in section 4 of this Article IV, no employee in the Leather Cloth Industry shall be paid less than at the rate of forty (40) cents per hour.

(b) No accounting, clerical, office, service or sales employee in the Leather Cloth Industry shall be paid less than at the rate of fourteen dollars (\$14.00) per week.

2. *Window Shade Cloth and Roller Industry.*—Except as hereinafter provided in section 4 of this Article IV, no male employee in the Window Shade Cloth and Roller Industry shall be paid less than at the rate of thirty-five (35) cents per hour and no female employee less than at the rate of thirty-two and one-half ($32\frac{1}{2}$) cents per hour, except that in the Southern Section no male employee shall be paid less than at the rate of thirty-two and one-half ($32\frac{1}{2}$) cents per hour, and no female employee shall be paid less than at the rate of thirty (30) cents per hour.

3. *Book Cloth Industry.*—Except as hereinafter provided in section 4 of this Article IV, no employee in the Book Cloth Industry shall be paid less than at the rate of thirty-five (35) cents per hour; except that in the Southern Section no employee shall be paid less than at the rate of thirty-two and one-half ($32\frac{1}{2}$) cents per hour.

4. *The Industries.*—(a) The minimum wage rates specified in the next preceding section 1, 2 and 3 shall not apply to the following:

Office boys and girls during a six (6) months' apprenticeship, who shall be paid not less than at the rate of eleven dollars and twenty cents (\$11.20) per week; provided that such office boys and girls shall not exceed five (5) per cent of the total office employees of any employer; but each employer may have at least one each of such employees.

A person whose earning capacity is limited because of age, physical or mental handicap, or other infirmity may be employed on light work at a wage below the minimum established by this code, if the employer obtains from the State Authority, designated by the United States Department of Labor, a certificate authorizing such person's employment at such wages and for such hours as shall be stated in the certificate. Such authority shall be guided by the instructions of the United States Department of Labor in issuing certificates to such persons. Each employer shall file monthly with the Code Authority a list of all such persons employed by him, showing the wages paid to, and the maximum hours of work for such employee.

(b) This Article establishes minimum rates of pay which shall apply, irrespective of whether an employee is actually compensated on a time rate, piece-work, or other basis.

(c) All rates of pay shall be equitably adjusted by any employer who has not prior to the effective date hereof made such adjustments, but in no case shall the hourly rate or piece rates be reduced. All such adjustments shall be reported to the Code Authority and the Administrator within thirty (30) days after the effective date of this Code.

(d) Female employees performing substantially the same work as male employees shall receive the same rate of pay as male employees.

ARTICLE V—GENERAL LABOR PROVISIONS

1. *Minors.*—No person under sixteen (16) years of age shall be employed in the Industries. No person under eighteen (18) years

of age shall be employed at operations or occupations which are hazardous in nature or dangerous to health. The Code Authority shall submit to the Administrator within sixty (60) days after the effective date of this Code, a list of such operations or occupations. In any State an employer shall be deemed to have complied with this provision as to age if he shall have on file a certificate or permit duly signed by the Authority in such State empowered to issue employment or age certificates or permits showing that the employee is of the required age.

2. *Statutory Provisions.*—(a) Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint or coercion of employers or their agents in the designation of such representatives, or in self-organization, or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

(b) No employee, and no one seeking employment shall be required as a condition of employment, to join any company union, or to refrain from joining, organizing or assisting a labor organization of his own choosing.

(c) Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

3. *Reclassification of Employees.*—Employees may be assigned to different kinds of work, but employers shall not reclassify employees or duties of occupations performed by employees, or adopt through contractual relations or otherwise any method or practice, which would be in effect a subterfuge of or in conflict with the provisions of this Code.

4. *Application of State Laws.*—Within each State members of the Industries shall comply with any laws of such State imposing upon employers more stringent requirements relating to hours of work or wages than under this Code.

5. *Employers—Different Industries.*—If any employer in these Industries is also an employer of labor in any other Industry not covered by this Code, the provisions of this Code shall apply to and affect only that part of his business which is included in these Industries.

6. *Safety and Health.*—Every employer shall make reasonable provisions for the safety and health of his employees at the place and during the hours of their employment.

7. *Posting Provisions.*—Each employer shall post in conspicuous places accessible to employees provisions of this Code in accordance with rules and regulations of the Administrator.

ARTICLE VI—PARTICIPATION

1. The expense of administering the Code shall be borne by the members of the Industries. The Code Authority may from time to time equitably pro-rate between the respective Industries such expenses as may be reasonably and necessarily incurred by the Code Authority in administering this Code, subject to the approval of the Administrator, insofar as the same relate to matters affecting all

these Industries, and such expenses shall be payable as the Code Authority shall specify.

2. Each Control Committee for the respective Industries may cause to be made such assessments against the members of the particular Industry as the Control Committee for such Industry shall deem reasonable and proper for the expenses of administering this Code as applied to the particular Industry, subject to the approval of the Administrator, and such assessments shall be payable as the Control Committee in each instance shall specify.

3. The expenses and assessments referred to shall be divided among the members of each Industry according to the relation each member's domestic dollar sales bear to the total domestic dollar sales of all members in such Industry for the last preceding calendar year, or such other method as may be equitable.

ARTICLE VII—ADMINISTRATION

1. *Administrative Agencies.*—To further effectuate the policies of the Act, Control Committees, representing each of said Industries, and a Code Authority representing all of said Industries, are hereby constituted to cooperate with each other and with the Administrator in the administration of this Code.

2. *Control Committees—Election, Number, Term.*—(a) A Control Committee for each of said Industries shall be elected by the members thereof who are entitled to participate in the selection of each of said Committees.

(b) The number of the members of each of said Control Committees shall be determined by the members of each Industry, and they shall serve for one year after their election, and until their successors have been similarly elected.

3. *Code Authority—Election, Number, Term.*—The Code Authority shall consist of three members from each of said Industries, elected by the members thereof. The members of said Code Authority shall serve for one year and until their successors shall have been elected in the same manner, unless all of said Industries by a majority vote of their members should provide for a different number of members, but in any event each Industry shall be equally represented on the Code Authority.

4. *Administration Representatives.*—The Administrator may appoint a member or members without vote and without expense to the Industries on the Code Authority and on each of the Control Committees.

5. *Control Committees—Code Authority—Chairman, Voting, Quorum, Vacancies.*—The Control Committees and the Code Authority shall elect their own Chairman; a majority of the members of each of said Committees and of the Code Authority shall constitute a quorum for the transaction of business. Each member thereof shall be entitled to one vote, and in the event of an equal division on any question the Chairman in each instance shall cast the deciding vote. Any vacancy occurring in any of said Committees or on the Code Authority shall be filled for the unexpired portion of the particular term in the same manner as that provided for the original election of the members to the respective Committees and to the Code Authority.

6. *Control Committees—Code Authority—Duties, Powers.*—(a) Subject to regulations issued by the Administrator, the respective Control Committees and the Code Authority shall supervise and administer the provisions of this Code, and at their own instance or upon the complaint of any person affected, may cause investigations to be made concerning the observance of the same. If complaint be made to any of such Control Committees or to the Code Authority, as the case may be, that any provision of this Code has been violated by any member of the Industries, the particular Control Committee or the Code Authority having charge of the matter involved, may require such member to furnish to the Secretary of the Institute representing the Industry involved, data pertinent to such complaint, or investigation, certified under oath, if requested by the interested Control Committee or the Code Authority. The findings of such investigation shall be reported by the Secretary of the particular Control Committee and/or the Code Authority, which in turn shall report its findings and recommendations to the Administrator.

(b) The duties and powers of the respective Control Committees shall be limited to such provisions of the Code as are applicable only to the particular Industry represented by the respective Control Committees, provided, proposals pertinent to matters affecting more than one of said Industries may be initiated by any of said Control Committees and the same shall be submitted to the Code Authority.

(c) The duties and powers of the Code Authority shall be limited to such provisions of the Code as are applicable to all of said Industries.

(d) In the event of a conflict or controversy pertinent to this Code between and among said Industries, the Code Authority shall act as an arbitral agency to effect an equitable settlement of such matters.

7. *Control Committees—Code Authority—Representativeness.*—In order that each Control Committee and the Code Authority shall at all times be truly representative of the respective Industry and the Industries and in other respects comply with the provisions of the Act, no two (2) members of any Control Committee or the Code Authority shall be affiliated with any single member of the Industry, and the Administrator may prescribe for such hearings as he may deem proper, and thereafter, if he should find that any of said Control Committees or the Code Authority is not truly representative, or does not in other respects comply with the provisions of the Act, the Administrator may require an appropriate modification of the method of selection of the members of any of said Control Committees or the Code Authority.

8. *Participating Associations.*—Each trade or industrial association directly or indirectly participating in the selection or activities of the Code Authority shall:

(a) Impose no inequitable restrictions on membership therein.

(b) Submit to the Administrator true copies of their Constitutions, By-Laws, Regulations and Amendments thereto, and such other information pertaining to membership therein, organization thereof, and activities, as the Administrator may deem necessary to effectuate the provisions of this Code.

9. *Industry Meetings.*—(a) Meetings of all the members of each of the Industries may be held from time to time for the purpose of

considering and acting upon any matters relating to the administration of this Code. Upon request to the Code Authority, signed by any three members of the Industry, for an Industry meeting, the Code Authority shall forthwith call such meeting, by causing notice, not less than five (5) days in advance of such meeting, to be given to all other Industry members, specifying therein the purpose of the meeting and the time and place for holding the same.

(b) Each member of the Industry shall be entitled to one vote, either by company representative or duly authorized proxy. The presence of a majority in numbers of members of the Industry shall be necessary for the holding of an Industry meeting. Provided, however, that a majority vote in numbers, and value of sales for the last preceding calendar year of those members who are in attendance or who are so represented at any such meeting, shall be necessary for the determination of any question, but a lesser number may adjourn the meeting from time to time.

10. *Related Industries.*—The Code Authority, and any of said Control Committees, may recommend to the Administrator matters regarding coordination of the administration of this Code with the Code of any related Industry, with a view of providing joint and harmonious action regarding matters of common interest and in furtherance of the purpose of the Act.

11. *Administration, Code Authority Action.*—Any action taken by any of such Control Committees or the Code Authority, or any agency thereof, in administering this Code may be submitted to the Administrator for approval and shall in any case be subject to disapproval by the Administrator. If the Administrator shall determine that any action of any of the Control Committees or the Code Authority, or any agency thereof, may be unfair, unjust or contrary to the public interest, the Administrator may require that such action be suspended to afford an opportunity for investigation of the merits of such action and further consideration by any of such Control Committees or the Code Authority, or agency thereof, pending final action, which shall not be effected unless the Administrator approves, or unless he shall fail to disapprove, after thirty (30) days notice to him of intention to proceed with such action in its original or modified form.

ARTICLE VIII—REPORTS

1. (a) In order to inform the Administrator and the members of these Industries, and for the purpose of determining whether the provisions of this Code are being observed, the members of the respective Industries shall furnish to the Secretaries of their respective Institutes, in such form and manner, and at such times, as may be designated by their respective Control Committees, reports of Wages, Hours of Labor, Conditions of Employment, Number of Employees, Volume of Production, Volume of Sales and/or Shipments Billed, Stocks on Hand; and other matters pertaining to the provisions of this Code, and as the Code Authority and the respective Control Committees may require for the administration thereof.

In addition to information required to be submitted to any Code Authority, all or any of the persons subject to this Code shall furnish such statistical information as the Administrator may deem

necessary for the purposes recited in Section 3 (a) of the Act to such Federal and State agencies as the Administrator may designate; nor shall anything in any Code relieve any person of existing obligations to furnish reports to Government agencies. No individual reports shall be disclosed to any other member of the industry or any other party except to such governmental agencies as may be directed by the President.

(b) All reports required by this Code to be furnished shall be certified under oath, if required by the Control Committee or the Code Authority, and they shall be deemed confidential and shall not be divulged to any member of the Industry or the Industries except in summary; provided, that where summary information in effect designates the identity of any individual member's reports, it shall not be revealed to any member of the Industries, but shall be made available to the Administrator upon his request, and may be used if necessary in the administration of this Code.

2. (a) At such time as the members of the Leather Cloth and/or Book Cloth Industries may determine, each member of said Leather Cloth and Book Cloth Industries shall file with the Secretary of the Institute representing his Industry the following:

(1) Each member of the Leather Cloth Industry shall file with the Secretary of the Institute a complete list of said Industry's standard products now on record or which may later be recorded with said Institute, including a complete description of such goods, construction, color and finish thereof.

(2) Each member of the Leather Cloth Industry shall file with the Secretary of the Institute, his price schedules, price lists, and discount sheets, covering all said products of said Industry, including therein base prices, net prices, delivery points, terms, discounts, allowances, and all conditions relating to or in any wise affecting any sale of such goods, whereupon the Institute shall immediately cause copies of the same to be sent to members of the Industry.

(3) Each Member of the Book Cloth Industry shall file with the Secretary of the Institute, his price schedules, price lists, and discount sheets, for all classes of customers covering all products of said Industry, including therein base prices, net prices, delivery points, terms, discounts, allowances, and all conditions relating to or in any wise affecting any sale of such goods, whereupon the Institute shall immediately cause copies of the same to be sent to members of the Industry. These shall be available to all interested parties.

(b) Revised price schedules, price lists, discount sheets, and conditions of sale may be so filed by the respective members of the Leather Cloth and Book Cloth Industries from time to time thereafter, effective upon the dates specified therein, provided the same shall be filed with the Secretaries of the respective Institutes not less than three (3) days in advance of the effective dates thereof.

(c) If, in the event of any such revision by any member of either of said Industries, another member of the same Industry should elect to file a revision of his price schedules, price lists, discount sheets, terms and conditions of sale to meet such revisions, such subsequently filed revisions may be made effective upon the date when the revisions first filed in the particular Industry shall go into effect. Copies of any such revisions of price lists mentioned in this Sub-Section (c)

and the preceding Sub-Section (b), with notice of the effective dates of the same, shall be similarly and promptly distributed.

(d) No member of the Leather Cloth or Book Cloth Industries shall sell, directly or indirectly, by any means whatsoever, any products of said Industries at a price lower or at discounts greater or on more favorable conditions of sale or terms of payment than those provided in his current price schedules, price lists and/or discount sheets, filed and distributed as herein provided.

(e) When the Control Committee for the Leather Cloth Industry determines that an emergency exists in the Industry and that the cause thereof is destructive price cutting such as to render ineffective or seriously to endanger the maintenance of the provisions of this Code, the said Control Committee may cause to be determined the reasonable cost of the products of the Industry, such determination to be subject to such notice and hearing as the Administrator may require. The Administrator may approve, disapprove, or modify this determination. Thereafter, during the period of the emergency, it shall be an unfair trade practice for any member of the Industry to sell or offer to sell any products of the Industry for which the reasonable cost has been determined at prices and/or upon such terms or conditions of sale, that the buyer will pay less therefor than the reasonable cost of such products.

When it appears that conditions have changed, said Control Committee upon its own initiative or upon the request of any interested party, shall cause the determination to be reviewed.

(f) Many members of these Industries sell their products to industrial users, retailers, jobbers, wholesalers, distributors and converters. Accordingly, members of these Industries may enter into agreements relating to the resale of the products of these Industries at prices and upon terms, discounts or conditions which are not less, nor more favorable to the purchaser thereof than those contained in the schedule or schedules of any member of these Industries, who may be a party to any such agreement, in effect at the time of any such resale or resales.

(g) Any member of the Window Shade Cloth and Roller Industry may, if he should elect, file with the Secretary of the Window Shade Institute any or all of such statistical reports, data and other information not herein expressly required by this Code to be furnished by the members of the Window Shade Cloth and Roller Industry, for similar distribution and observance of the same as set forth in this Article VIII.

ARTICLE IX—UNFAIR TRADE PRACTICES

The following acts, which constitute unfair trade practices, are a violation of this Code:

1. *Interference with Existing Contracts.*—Knowingly interfere with an existing contract for the sale and purchase of products of the Industry, induce, attempt to induce or assist a party to break such a contract, after the contract therefor has been placed with another selling member of the Industry, or offer lower prices or better terms to induce or attempt to induce a revision of any such existing contract.

2. *Commercial Bribery*.—Give, permit to be given, or directly offer to give, anything of value for the purpose of influencing or rewarding the action of any employee, agent, or representative of another in relation to the business of the employer of such employee, the principal of such agent or the represented party, without the knowledge of such employer, principal or party. This provision shall not be construed to prohibit free and general distribution of articles commonly used for advertising, except so far as such articles are actually used for commercial bribery as hereinabove defined.

3. *Defamation of Competitors*.—Willfully make, cause or permit to be made or published, any false statements or misrepresentations of or concerning the business, policies, methods or products of a competitor.

4. *Piracy of Trade Marks*.—Imitate trade marks, trade names, slogans or other marks of identification of another member of the Industry.

5. *False Advertising*.—Make, cause, or permit to be made or published any false, untrue, or deceptive statement by way of advertising or otherwise, concerning any grade, quality, substance, character, origin or preparation of any product of the Industry.

6. *Misbranding*.—Falsely mark or brand packages or products of the Industry, for the purpose or with the effect of misleading or deceiving purchasers or others with respect to quality, quantity, character, grade or substance thereof.

7. *False Invoicing*.—(a) Withhold from or insert in invoice facts which would make the invoice a false record wholly or in part of the transaction in question, or make any arrangement which would contemplate payment or settlement contrary to the face of the invoice.

(This Rule No. 7 (a) shall apply to only the Leather Cloth and Book Cloth Industries.)

(b) Withhold from or insert in invoice facts which would make the invoice a false record wholly or in part of the transaction in question, or make any arrangement which would contemplate payment or settlement contrary to the face of the invoice, except as might be indicated on the invoice.

(This Rule No. 7 (b) shall apply to only the Window Shade Cloth and Roller Industry.)

8. *Post-Date or Pre-Date Contract or Invoice*.—Post-date or pre-date contracts or invoices covering products of the Industry.

9. *Secret Rebates*.—Pay or allow secretly, rebates, refunds, commissions or discounts, whether in the form of money or otherwise.

10. *Requirement Contracts*.—Accept Requirement Contracts. All contracts or order shall be for a definite yardage with not more than a plus or minus tolerance of ten (10) per cent and for deliveries within a definite period; and in the case of book cloth of a specified grade and width.

(This Rule No. 10 shall apply to only the Leather Cloth and Book Cloth Industries.)

11. *Disposition of Non-Prime Materials*.—Sell seconds, pound goods, scrap, slow moving stock, etc., domestically, below seller's minimum price for prime quality in excess of five (5) per cent by

volume of his sales in any three (3) months. If any manufacturer has an accumulation of more than five (5) per cent of such goods, such case shall be referred to the Control Committee for equitable disposition, subject to review by the Administrator. All such non-prime material to be plainly described on tags, in acknowledgments of order, and in invoices therefor.

(This Rule No. 11 shall apply to only the Leather Cloth Industry.)

12. *Guaranty Against Price Decline*.—Guarantee against price decline except as the same may be limited to the decline of the particular member of the Industry, and such guaranty shall apply only to goods which are not delivered.

(This Rule No. 12 shall apply to only the Window Shade Cloth and Roller Industry.)

13. *Consignments*.—Ship products of the Window Shade Cloth and Roller Industry on consignment, except under circumstances to be defined by the Code Authority where peculiar conditions of the Industry require this practice.

14. *Advertising Allowances*.—Do cooperative advertising with customers or with distributors of customers' products or make any advertising allowances, directly or indirectly, or offer free advertising to induce a sale as relating to products of the Leather Cloth and Book Cloth Industries.

(This Rule No. 14 shall apply to the Leather Cloth Industry only as and when Article VIII, Section 2 of this Code shall become operative.)

15. *Used or Second Hand Material*.—Sell or offer to sell any finished window shades in which either cloth or rollers have been previously used without specifically stating on the label of the article and in the invoice for the same, that such parts were previously used or second-hand.

16. *Custom Coating and/or Filling*.—Coat and/or fill customer's fabrics, or paper base products or do so-called custom coating and/or custom filling to produce products of a type comparable with the usual or standard products of the Industries, except with permission of the Control Committee of the particular Industry, or take title to any material with the intent of evading this provision. Should this provision work an unjust hardship on any member of the Industry or on any customer, such member or customer may appeal to the Administrator who shall have power to grant such exemption or stay as justice may require.

ARTICLE X—IMPORTS

The Control Committee and/or the Code Authority may inform the President of the United States or the Administrator on behalf of the respective Industries as to importations of competitive articles into the United States selling on a price basis which under-sells similar products of domestic manufacture, and the extent to which said under-selling shall render ineffective or seriously interfere with the maintenance of any of the provisions of this Code, and which may be made the basis for complaint to the President or the Administrator on behalf of the particular Industry, in accordance with Section 3 (e) of Title I of the Act.

ARTICLE XI—EXPORTS

Except as may be subsequently set forth in a specific or supplementary Export Code for the Industries, the provisions of this Code now or hereafter adopted with regard to prices, discounts, deductions, allowances, extras, commissions, or methods and/or terms of sale, are not to apply to direct export sales or to sales in course of export, i.e., sales agreed to be destined for export.

ARTICLE XII—RECOMMENDATIONS, AMENDMENTS

1. Such of the provisions of this Code as are not required to be included therein by the Act may, with the approval of the President, or Administrator, be modified or eliminated as changes in the circumstances or experience may indicate. It is contemplated that from time to time supplementary provisions to this Code or additional Codes will be submitted for the approval of the President to prevent unfair competition in price and other unfair and destructive competitive practices and to effectuate other purposes and policies of Title I of the Act consistent with the provisions thereof.

2. The Control Committees and/or the Code Authority may from time to time make recommendations to the Administrator relating to the provisions of this Code and affecting the Industries which will tend to effectuate the operation of the provisions of this Code and the policy of the Act, and such recommendations, when approved by the Administrator after such hearings as he may determine, shall have the same force and effect as any other provision of this Code.

ARTICLE XIII—MONOPOLIES

No provision of this Code shall be so applied as to permit monopolies or monopolistic practices, or to eliminate, oppress, or discriminate against small enterprises.

ARTICLE XIV—GENERAL PROVISIONS

1. This Code and the provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of subsection (b) of Section 10 of the Act, from time to time to cancel or modify any order, approval, license, rule, or regulation issued under Title I of said Act.

2. By presenting this Code, members of these Industries do not thereby consent to any modification thereof and they hereby reserve the right to object individually or jointly, to any such modification.

3. By presenting this Code, those assenting hereto are not thereby waiving any of their constitutional rights which may be infringed by any of the provisions of the Act.

4. The provisions of this Code relating to the manufacture, or manufacture and sale of products of these Industries shall govern to the exclusion of the provisions of any other Code.

5. The effective date of this Code shall be 12:01 A. M. the second Monday after approval.

Approved Code No. 416.
Registry No. 299-47.

